

July 10, 2009

Dr. Karen Beck Pooley
Redevelopment Authority of the City of Allentown
Suite 330, City Hall
435 Hamilton Street
Allentown, PA 18101



Lehigh Valley
ECONOMIC
DEVELOPMENT CORPORATION

*Helping business arrive.
Helping business thrive.*

www.lehighvalley.org

Re: New KOZ Property Owners

Dear Dr. Pooley:

Congratulations! Attached is a copy of the Commonwealth of Pennsylvania Department of Community and Economic Development notification letter dated June 29, 2009 on our creation application submitted April 30, 2009 to include additional expansion zones into the Keystone Opportunity Zone program. Your property as noted on the attachment to the letter has been approved for this program. As noted on the State's letter, sales tax exemption will be applicable as of the date of that letter (June 29, 2009). All other benefits will begin January 1, 2010 and terminate on December 31, 2019. Your benefits will last for a 10-year period only as per the legislation.

I am also enclosing an instruction memorandum to you briefly outlining the taxes being abated and how to make your yearly on-line application. You should be able to make your application at the end of November 2009, when the State opens the 2010 application process.

If you have suggestions and comments, please feel contact me at 610-266-2218, (ldemko@lehighvalley.org) or Steve Melnick, KOZ Program Director, at 610-266-7535 (smelnick@lehighvalley.org).

Thank you.

Very truly yours,

A handwritten signature in black ink that reads "Laurie A. Demko".

Laurie A. Demko
Executive Assistant and
KOZ Program Coordinator

Enc.

P.O. Box 21750
Lehigh Valley
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MEMORANDUM

To: To the Occupant/Owner/Business of KOZ/KOEZ Property
From: Laurie Demko, KOZ Program Coordinator
RE: 2010 KOZ/KOEZ Annual Application Process
Date: July 10, 2009

If you have purchased and/or reside or do business in a KOZ/KOEZ property, then you are eligible for tax benefits. These benefits affect the following taxes:

State

- Corporate Net Income Tax
- Capital Stock and Foreign Franchise Tax
- Personal Income Tax
- Sales and Use Tax (Purchases consumed and used by business in the Zone)
- Mutual Thrift Institution Tax
- Bank and Trust Company Shares Tax
- Insurance Premiums Tax

Local

- Earned Income/Net Profits Tax
- Business Gross Receipts, Business Occupancy, Business Privilege and Merchantile Tax
- Sales and Use Tax (County/City; Purchases consumed and used by business in the Zone)
- Property Tax

As a resident, real property owner or business located in a KOZ/KOEZ sub-zone, you must make a yearly on-line application with the Pennsylvania Department of Community and Economic Development (PA DCED) on their website at <https://www.koz.newPA.com> by December 31st of each year. Please check all application benefits that apply to you. In other words, if you are a real property owner and reside in the property, you will need to check both. You will also need to fill in any required fields marked by an asterisk on the application before it can be submitted online. Guidelines outlining program qualifications with a printable version of the application are found at <http://koz.newPA.com>. We encourage you to read them.

If you are a resident of the City of Allentown in order to obtain your refund on your 1% tax, you must submit your request in writing to City of Allentown, Attn: Sharon Lambert, 435 Hamilton St., Allentown, PA 18101. Your request should include your final approval letter from the State.

Please submit your annual application at your earliest opportunity. You must fill out this application in order to receive your KOZ/KOEZ annual benefits. If you are lacking information to complete the online application, have any questions or need assistance, please call me at 610-266-2218, or email me at ldemko@lehighvalley.org. I will be happy to help you in anyway that I can.

Thank you.